

## US Senate seeks compromise on \$25 bln auto bailout (Reuters)

By John Crawley

WASHINGTON, Nov 19 (Reuters) - Senate negotiators sought on Wednesday to craft a compromise plan to bail out distressed U.S. automakers as industry chief executives came under new pressure from lawmakers to justify urgent assistance.

With a \$25 billion Democratic bailout proposal in the Senate stalled due to weak support, the legislative emphasis shifted to a plan endorsed by Republicans and the White House. But prospects for a deal were far from certain with time running low on the abbreviated congressional session.

Minority Leader Mitch McConnell said in remarks on the Senate floor that a compromise effort "is the only proposal being considered" that has any chance of becoming law now.

"There is a way forward that will help protect the jobs in the auto industry, while also protecting taxpayers," McConnell, a Kentucky Republican, said.

A senior Democrat, Banking Committee Chairman Christopher Dodd, said he was "anxious to see something happen" but "frankly, the idea that there's going to be a bill, I think is remote."

General Motors Corp (GM.N: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)), Ford Motor Co (F.N: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) and Chrysler LLC [CBS.UL] are burning through billions in cash monthly and have little to no ability to raise capital in the private markets due to their poor financial health and the global credit crunch.

Chief executives from the three manufacturers warned at a Senate hearing on Tuesday and again on Wednesday before the House of Representatives of potential industry failure and broader economic hardship without immediate government aid.

"We don't like being here asking for this," said GM Chief Executive Rick Wagoner. "So at this point, without injections of liquidity ... probably some portion of the domestic industry will not survive."

The executives, who came under fire for taking private jets to Washington to ask for a bailout, say bankruptcies are not an option. Lawmakers also questioned whether Detroit would be back for help down the road, since the car companies' finances are so poor.

"Is this a downpayment or a final number?" asked Rep. Michael Castle, a Delaware Republican. "I'm not sure there is an easy recovery."

With a Democratic effort to finance a bailout through the Treasury Department financial services rescue fund stalled in the Senate, lawmakers from that chamber launched negotiations on a compromise.

The approach spearheaded by Republicans Christopher Bond of Missouri and George Voinovich of Ohio would, according to McConnell and other lawmakers, extend up to \$25 billion in loans approved in September for helping Detroit retool factories and make more fuel-efficient cars.

Voinovich said there are "a lot of discussions with the Democrats" and there is hope for a deal by day's end.

Carl Levin, a Michigan Democrat and chief proponent of bailout efforts in the Senate, told reporters outside the House hearing that the common goal was still \$25 billion.

"It would be unthinkable for Congress not to be able to reach a conclusion when the leadership of the Congress, the president and president-elect all say they support bridge loans," Levin said.

But Senate Democratic Leader Richard Durbin of Illinois said enough Senate support for a deal using retooling loans was not assured and he had been told that the Democratic-led House of Representatives did not favor the approach.

"If that is the case, it is not going to happen," Durbin said.

The White House expressed support for the compromise, saying it believes the Bond-Voinovich amendment would have bipartisan support.

(Additional reporting by Matt Spetalnick, Kevin Drawbaugh, Donna Smith and Rick Cowan, editing by Gerald E. McCormick and Matthew Lewis)